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# Five-Year Implementation Plan

## Introduction

This Section presents the Five-Year Implementation Plan ("Implementation Plan") for the Project Area. If the Redevelopment Plan is adopted by the City Council, then this Implementation Plan will guide the Agency as it implements specific redevelopment projects in the Project Area. If adopted, this Implementation Plan will be in place for the next five years (fiscal years 2003-04 to 2007-08). Between the 2nd and 3rd years after adoption of the Implementation Plan, there will be a mid-term review and update of this Implementation Plan at which time community input will again be solicited.

If adopted, the Crossroads Redevelopment Plan will set goals and guide activities for a 20-year period to incur debt and implement new projects and based upon the substantiation of substantial remaining blight, may be extended for an additional 10-year period. The Crossroads Project strives to eliminate blight in the Project Area by assisting with rehabilitation and new construction of commercial and residential areas and upgrading of public infrastructure, facilities, open space and parks.

This Implementation Plan has been prepared pursuant to Section 33490 of the CRL. Since 1994, every redevelopment agency has been required to prepare an implementation plan that outlines the projects and expenditures the agency will undertake to address blight in a redevelopment project area. Implementation plans are initially formulated and subsequently updated through a legally mandated process that incorporates extensive public input. The purpose is to inject more public input into the programs a redevelopment agency implements.

Pursuant to Sections 33352(c) and 33490 of the CRL, this Implementation Plan presents the following:

- The major goals and objectives of the Agency for the Project Area.
- The programs, projects, and estimated expenditures planned for the next five years.
- An explanation of how the programs, projects and expenditures will achieve the goals of the Agency and eliminate blight in the Project Area.
- An explanation of how the programs, projects, and expenditures will implement the affordable housing requirements of the CRL and will increase, improve, and preserve the supply of housing affordable to very low, low, and moderate income households.

The Agency has been working with the community and the Crossroads Project Area Committee to identify the constraints and opportunities in the Project Area. Below is a discussion of the goals of the Redevelopment Plan and proposed projects for the next five-years.

## Plan Goals and Objectives

The Plan delineates the Agency's redevelopment goals and objectives for the Project Area. These goals and objectives, which are listed below, were employed to formulate the overall strategy for this Implementation Plan and will serve as a guide for the Agency's activities during the next five years.

1. Eliminate and prevent the spread of blight and deterioration, and redevelop the proposed Redevelopment Project Area in accordance with the General Plan, applicable community plans, this Plan, and local codes and ordinances;
2. Enhance economic growth within the Project Area by continuing ongoing efforts to revitalize commercial areas, particularly the commercial corridor along El Cajon Boulevard and University Avenue, and establishing one or more Business Improvement Districts;
3. Improve the flow of traffic, relieve congestion on residential streets located within the Project Area and otherwise enhance the quality of pedestrian and vehicular mobility, and improve transportation facilities, which support the vitality, safety and viability of the Project Area;
4. Alleviate the shortage of commercial and residential parking while avoiding negative impacts on residential neighborhoods by implementing a coordinated and comprehensive plan for the proportional distribution and proper configuration of parking spaces and facilities;
5. Expand employment opportunities for Project Area residents by encouraging the development of manufacturing enterprises and improving accessibility of employment centers within and outside the Project Area;
6. Improve public infrastructure and undertake other public improvements in, and of benefit to, the Project Area, such as undergrounding electrical distribution lines and telephone lines along major streets, widening, reducing or otherwise modifying existing roadways or creating additional streets, walkways, and paths for proper pedestrian and/or vehicular circulation;
7. Expand recreational opportunities of Project Area residents by developing facilities such as a sports field south of Chollas Lake and urban resource-based parks in the North Chollas Canyon area and by identifying, acquiring, and developing neighborhood parks and green spaces where there is a deficiency in local parks and landscape buffer zones;
8. Preserve existing housing stock and provide choice for a variety of new and rehabilitated housing opportunities.
9. Create an attractive and pleasant environment within the Project Area.
10. Focus on the retention and expansion of existing neighborhood supporting businesses.

## **Definition of Blighting Conditions in Accordance with the CRL**

The Project Area was established to address blighting conditions. CRL Sections 33030 and 33031 define physical and economic blight as:

Physical blight includes the following:

- Buildings in which it is unsafe or unhealthy for persons to live or work. These conditions can be caused by serious building code violations, dilapidation and deterioration, defective design or physical construction, faulty or inadequate utilities, or other similar factors.
- Factors that prevent or substantially hinder the economically viable use or capacity of buildings or lots. This condition can be caused by substandard design, inadequate size given present standards and market conditions, lack of parking, or other similar factors.
- Adjacent or nearby uses that are incompatible with each other and which prevent the economic development of those parcels or other portions of the project area.
- The existence of subdivided lots of irregular form and shape and inadequate size for proper usefulness and development that are in multiple ownership.

Economic blight includes the following:

- Depreciated or stagnant property values or impaired investments, including, but not necessarily limited to, those properties containing hazardous wastes that require the use of Agency authority.
- Abnormally high business vacancies, abnormally low lease rates, high turnover rates, abandoned buildings, or excessive vacant lots within an area developed for urban use and served by utilities.
- A lack of necessary commercial facilities that are normally found in neighborhoods, including grocery stores, drug stores, and banks and other lending institutions.
- Residential overcrowding or an excess of bars, liquor stores, or other businesses that cater exclusively to adults that has led to problems of public safety and welfare.
- A high crime rate that constitutes a serious threat to the public safety and welfare.

The CRL also provides that deficient public improvements may be identified as a blighting condition under circumstances including the presence of physical and economic blight.

The Agency's goals, objectives, programs and projects presented in this Implementation Plan are designed to alleviate and/or eliminate blight in the Project Area, as described in Section B of this Report.

## Financial Resources

The following table presents a projection of revenues the Agency may have available over the next five years to fund the Implementation Plan activities. The projections are based on the financial analysis included in Section E of this Report. Table C-1 presents the annual projected gross tax increment receipts, low and moderate housing set-aside requirement, statutory payments to affected taxing entities, and the remaining net revenues allocated to non-housing projects. Over the first five years of the Plan, the Agency is anticipated to collect \$841,599 in housing fund revenue and \$2.5 million in non-housing fund revenue. In addition, potential net bond proceeds of \$11.6 to the non-housing fund and \$2.9 million to the housing fund may also be realized. It should be noted that these are revenue estimates and actual funds available could either increase or decrease depending on the level of actual growth in the assessed valuation of the Project Area.

TABLE C-1  
PROJECTED REVENUES FOR IMPLEMENTATION  
CROSSROADS REDEVELOPMENT PROJECT AREA

Fiscal Year	Gross Tax Increment Revenue	Taxing Agency Payments	Nonhousing Funds				Housing Funds			
			Annual Tax Incmt	Net Bond Proceeds	Bond Debt Service	Cumulative	Annual Tax Increment	Net Bond Proceeds	Bond Debt Service	Cumulative
2003-04			<i>No Tax Increment Revenue Received Until 2004-05</i>							
2004-05	\$409,033	(\$81,807)	\$245,420			\$245,420	\$81,807			\$81,807
2005-06	\$835,258	(\$167,052)	\$501,155	\$5,600,000	(\$464,839)	\$5,881,735	\$167,052	\$1,400,000	(\$116,210)	\$1,532,648
2006-07	\$1,279,288	(\$255,858)	\$767,573		(\$464,839)	\$6,184,469	\$255,858		(\$116,210)	\$1,672,296
2007-08	\$1,741,760	(\$348,352)	\$1,045,056	\$6,000,000	(\$969,327)	\$12,260,198	\$348,352	\$1,500,000	(\$242,332)	\$3,278,317
			\$2,559,204	\$11,600,000	(\$1,899,006)		\$853,068	\$2,900,000	(\$474,751)	

Source: Section E of the Report to the City Council

Note: Nonhousing funds are net of statutory taxing agency payments.

## Five-Year Programs and Expenditures

Estimated funding for each year of the Implementation Plan is listed beneath the program year heading.

### First Program Year - Fiscal Year 2003-04

**Estimated Project Funding:** No tax increment will be available during the First Program Year.

Administrative staff will be put in place for implementation and monitoring purposes.

The Project Area will not receive tax increment revenue during this fiscal year, thus, funding will need to come from another source.

Continue to educate and update the community about redevelopment tools and processes.

Create commercial and residential rehabilitation program for the Crossroads Redevelopment Project.

Prepare to solicit ideas and development proposals from business owners and other interested individuals.

Study parking and infrastructure deficiencies, potential commercial and mixed use development and begin proposing solutions.

Implement and monitor the housing strategy for the expenditure of low and moderate income housing funds.

Develop a presence at community centers within and adjacent to the Project Area. Respond to resident and business owner concerns and interests, outreach to real estate brokerage, development and lending companies to attract and retain investment in the Project Area.

Monitor, coordinate and expand activities with other public agencies including business outreach and marketing, housing programs, streetscape, and lighting and landscape improvements.

Staff the Project Area Committee (PAC). Monitor project activities and coordinate community and PAC input into project development.

### Second Program Year – Fiscal Year 2004-05

**Estimated Funding:** Non-Housing - \$240,000; Housing - \$80,000

Implement commercial and residential rehabilitation programs to assist existing businesses and homeowners with deferred maintenance, code deficiencies, health and safety violations and zoning deficits.

Proactively seek and assist in the development of new commercial, residential and mixed use projects located at identified key locations in the Project Area.

Continue to educate and update the community about redevelopment tools and processes.

Implement and fund commercial and residential rehabilitation programs for the Crossroads Redevelopment Project.

Continue to solicit ideas and development proposals from business owners and other interested individuals.

Develop master infrastructure improvement plan for El Cajon Boulevard and University Avenue.

Consider parking and infrastructure solutions, develop budgets and funding strategies.

Based upon projected tax increment receipts, prepare for the issuance of a tax allocation bond next year.

Maintain a presence at community centers within and adjacent to the Project Area. Respond to resident and business owner concerns and interests, outreach to real estate brokerage, development and lending companies to attract and retain investment in the Project Area.

Implement and monitor the housing strategy for the expenditure of low and moderate income housing funds.

Monitor, coordinate and expand activities with other public agencies including business outreach and marketing, housing programs, streetscape, and lighting and landscape improvements.

Staff the Project Area Committee (PAC). Monitor project activities and coordinate community and PAC input into project development.

### **Third Program Year – Fiscal Year 2005-06**

**Estimated Funding:** Non-Housing - \$6.1 million; Housing - \$1.56 million

During this program year about \$7 million of bond financing may be available.

Continue to implement commercial and residential rehabilitation programs to assist existing businesses and homeowners with deferred maintenance, code deficiencies, health and safety violations and zoning deficits.

Proactively seek and assist in the development of new commercial, residential and mixed use projects located at identified key locations in the Project Area.

Continue to educate and update the community about redevelopment tools and processes.

Implement and fund commercial and residential rehabilitation programs for the Crossroads Redevelopment Project.

Continue to solicit ideas and development proposals from business owners and other interested individuals.

Assist in implementing parking and infrastructure upgrades pursuant to master infrastructure plans.

Maintain a presence at community centers within and adjacent to the Project Area. Respond to resident and business owner concerns and interests, outreach to real estate brokerage, development and lending companies to attract and retain investment in the Project Area.

Implement and monitor the housing strategy for the expenditure of low and moderate income housing funds.

Monitor, coordinate and expand activities with other public agencies including business outreach and marketing, housing programs, streetscape, and lighting and landscape improvements.

Staff the Project Area Committee (PAC). Monitor project activities and coordinate community and PAC input into project development.

Prepare and present the Mid-term Implementation Plan Report to the community and City Council.

#### **Fourth Program Year – Fiscal Year 2006-07**

**Estimated Funding:** Non-Housing - \$750,000; Housing - \$250,000

Continue to implement commercial and residential rehabilitation programs to assist existing businesses and homeowners with deferred maintenance, code deficiencies, health and safety violations and zoning deficits.

Proactively seek and assist in the development of new commercial, residential and mixed use projects located at identified key locations in the Project Area.

Continue to educate and update the community about redevelopment tools and processes.

Implement and fund commercial and residential rehabilitation programs for the Crossroads Redevelopment Project.

Continue to solicit ideas and development proposals from business owners and other interested individuals.

Assist in implementing parking and infrastructure upgrades.

Maintain a presence at community centers within and adjacent to the Project Area. Respond to resident and business owner concerns and interests, outreach to real estate

brokerage, development and lending companies to attract and retain investment in the Project Area.

Implement and monitor the housing strategy for the expenditure of low and moderate income housing funds.

Monitor, coordinate and expand activities with other public agencies including business outreach and marketing, housing programs, streetscape, and lighting and landscape improvements.

Based upon projected tax increment receipts, prepare for the issuance of a tax allocation bond next year.

Staff the Project Area Committee (PAC). Monitor project activities and coordinate community and PAC input into project development.

### **Fifth Program Year – Fiscal Year 2007-08**

**Estimated Funding:** Non-Housing - \$7 million; Housing - \$1.8 million

During this program year about \$7.5 million of bond financing may be available.

Continue to implement commercial and residential rehabilitation programs to assist existing businesses and homeowners with deferred maintenance, code deficiencies, health and safety violations and zoning deficits.

Proactively seek and assist in the development of new commercial, residential and mixed use projects located at identified key locations in the Project Area.

Continue to educate and update the community about redevelopment tools and processes.

Implement and fund commercial and residential rehabilitation programs for the Crossroads Redevelopment Project.

Continue to solicit ideas and development proposals from business owners and other interested individuals.

Assist in implementing parking and infrastructure upgrades.

Maintain a presence at community centers within and adjacent to the Project Area. Respond to resident and business owner concerns and interests, outreach to real estate brokerage, development and lending companies to attract and retain investment in the Project Area.

Implement and monitor the housing strategy for the expenditure of low and moderate income housing funds.

Monitor, coordinate and expand activities with other public agencies including business outreach and marketing, housing programs, streetscape, and lighting and landscape improvements.



Based upon projected tax increment receipts, prepare for the issuance of a tax allocation bond next year.

Staff the Project Area Committee (PAC). Monitor project activities and coordinate community and PAC input into project development.

Prepare and present a new Five Year Implementation Plan to the Community and City Council.

## **How Agency Goals and Objectives will Eliminate Blighting Conditions in the Project Area**

These programs will enable the Agency to assist in implementing the improvements described in the College Area and Mid-City Communities Plans, which are guided by the General Plan. These plans envision upgraded commercial nodes, with mixed use development and a pedestrian orientation. Fostering the creation of light industrial and manufacturing uses to diversify development and provide additional employment opportunities will benefit the Project Area. As needed, the Agency will assist in assembling land for new development. The Community Plans also focus on improving parking opportunities, and traffic flow, and maintaining and developing existing open space.

The proposed housing programs will stabilize residential neighborhoods and stem the spread of blight. The Implementation Plan will assist in providing and maintaining very low, low and moderate income housing. The Agency proposes an array of housing assistance programs including, but not limited to, the following: first-time homebuyer and residential rehab programs; urban design linkages to connect neighborhoods with existing parks; and marketing programs to enhance the desirability of the area.

Finally, the Agency will supplement both economic development and housing programs with needed infrastructure upgrades. The area lacks adequate parking, public transportation opportunities and suffers from overburdened traffic loads. Overall, the Project Area does not have adequate parks, public facilities or open space.

The proposed projects and programs will alleviate the blighting conditions prevalent in the Project Area. Without redevelopment tools and tax increment revenue made available by the adoption of the Redevelopment Plan the area will continue to deteriorate.

### **Blighting Conditions Alleviated or Removed by Programs**

These programs will begin to address the following conditions of blight identified in the Project Area:

- Factors Hindering Viable Use
- Unsafe/Unhealthy Buildings
- Lots of Irregular Shape and Form that are in Multiple Ownership
- Incompatible Uses
- Depreciated Values/Impaired Investments

- Inadequate Public Improvements and Open Space

## Affordable Housing Compliance Plan

The provisions of Section 33413(b)(4) of the CRL require the Agency to adopt and periodically update a plan to ensure compliance with the existing criteria of Section 33413 of the CRL regarding the affordability mix of new or rehabilitated housing units ("Housing Compliance Plan"). The CRL further requires that this Housing Compliance Plan be prepared as part of the implementation plan required by Section 33490 of the CRL. This Housing Compliance Plan must be consistent with the jurisdiction's housing element and must also be reviewed and, if necessary, amended at least every five (5) years with either the housing element cycle or the implementation plan cycle.

The following narrative addresses the requirements pursuant to Section 33490(a)(2)(A) and (B) of the CRL:

1. *The amount available in the Low and Moderate Income Housing Fund and the estimated amounts that will be deposited in the Low and Moderate Income Housing Fund during each of the next five years.*

Table C-1 indicates the annual projected housing fund revenues over the next five years. The projected deposits to the Housing Fund during the next five years will total approximately \$3.7 million (including tax increment plus potential bond proceeds).

2. *Estimates of the number of new, rehabilitated, or price-restricted units to be assisted during each of the five years and estimates of the expenditures of moneys from the Low and Moderate Income Housing Fund during each of the five years.*

Table C-1 presents a forecast of the annual deposits to the Housing Fund between 2003-04 and 2007-08. Available funding for housing is estimated to be \$3.2 million. The Agency proposes assisting with construction of about 25 units per year during the last 3 years of the Implementation Plan period.

The Agency will also assist with the rehabilitation of existing units but the assistance given to these units is not anticipated to meet the cost threshold to be designated as "substantial rehabilitation." The Agency anticipates assisting with the rehabilitation of approximately 35 units per year.

During the first five years of the Plan, the Agency estimates that \$3.2 million cumulatively (all available funds) will be expended on these housing programs.

3. *An estimate of the number of new, substantially rehabilitated or price-restricted residential units to be developed or purchased within the Project Area, both over the life of the Redevelopment Plan and during the next ten years.*

The Agency anticipates that about 665 new units will be developed by private entities or with Agency assistance within the next ten years.

Over the life of the Project Area about 2,500 new units are anticipated to be developed by both private and Agency assisted development.

It is estimated that over the life of the Project Area, approximately 2,000 units within the Project Area may be rehabilitated although it is unlikely that many of these would meet the requirements of "substantial rehabilitation." It is further anticipated that the Agency may provide rehabilitation assistance to approximately one-half of these units.

All newly constructed units and substantially rehabilitated units that are given Agency assistance will be required to be price-restricted.

4. *An estimate of the number of units of very low, low- and moderate-income households required to be developed within the Project Area in order to meet the requirements of Section 33413(b)(2) of the CRL, both over the life of the Redevelopment Plan and during the next ten years.*

15% of any new or substantially rehabilitated units would need to be affordable to low and moderate income persons. Of these affordable units, at least 40% would need to be reserved for very low-income households, pursuant to Section 33413(b)(2) of the CRL.

The Agency anticipates that about 665 new units will be developed by private entities or with Agency assistance within the next ten years. CRL Section 33413(b)(2) requires that 15% or 100 units be developed for low and moderate income persons and of those 100 units, 40% or 40 units must be made available to very low income persons.

Because of high land values, it is not anticipated that improvements to dwelling units would meet the criteria defined by the CRL to be classified as substantially rehabilitated.

Over the life of the Project Area about 2,500 new units are anticipated to be developed by both private and Agency assisted development. 15% of these units or 375 units must be affordable to low and moderate income persons. Of these 375 units 56 are required to be affordable to very low income persons.

5. *The number of units of very low, low-, and moderate-income households which have been developed within the Project Area which meet the requirements of Section 33413(b)(2) of the CRL.*

Because the proposed Plan is in the process of being adopted and the Project Area has not yet officially been created, this requirement does not apply.

6. *An estimate of the number of Agency-developed residential units which will be developed during the next five years, if any, which will be governed by Section 33413(b)(1).*

Although the Agency may assist private owners in constructing new units, the Agency does not anticipate developing or substantially rehabilitating any residential units itself during the next five years.

7. *An estimate of the number of Agency-developed units for very low, low-, and moderate-income households which will be developed by the Agency during the next five years to meet the requirements of Section 33413(b)(1) of the CRL.*

The Agency does not anticipate developing any residential units during the next five years. Therefore, the requirements of this section do not apply at this time.

To ensure compliance with CRL Section 33334.4:

1. *The number of housing units needed for very low, low and moderate income persons as each of those needs have been identified in the most recent determination pursuant to Government Code Section 65584 (of the regional share of the statewide housing need), and the proposed amount of expenditures from the Housing Fund for each income group during each year of the Implementation Plan period.*

Listed below are the number of housing units needed by income category according to statewide housing need and the proposed percentage of expenditures from the Housing Fund.

Income Level	Number of Housing Units	Percentage of Housing Units
Very-low Income	7,463	19%
Low-Income	6,797	17%
Moderate-Income	9,137	23%
Above Moderate-Income	16,388	41%
TOTAL	39,785	100%

2. *The total population of the City of San Diego and the population under age 65 as reported in the most recent census of the United States Census Bureau.*

City of San Diego total population according to Census 2000 – 1,223,400

City of San Diego population under 65 years of age according to Census 2000 – 1,095,392

Seniors represent 10%

3. *A detailed schedule of actions the Agency is undertaking or intends to undertake to ensure expenditure of the Housing Fund in the proportions required by CRL Section 33334.4*

The Agency will expend Housing Funds in the proportions cited above to ensure compliance with Section 33334.4.

4. *For the previous Implementation Plan period, the amounts of Housing Fund moneys utilized to assist units affordable to and occupied by very low income households and low-income households; the number, location and level of affordability of units newly constructed with other locally controlled government assistance and without Agency assistance and that are required to be affordable to, and occupied by, persons of low or very low income for a least 55 years for rental housing or 45 years for ownership housing; and the amount of Housing Fund moneys utilized to assist housing units available to families with children, and the number, location, and level of affordability of those units.*

Because the proposed Plan is in the process of being adopted and the Project Area has not yet officially been created, this requirement does not apply.

The following discussion contains the required components pursuant to Section 33490(a)(3) of the CRL:

Pursuant to Section 33490(a)(3) of the CRL, if the Implementation Plan contains a project that will result in the destruction or removal of dwelling units that will have to be replaced pursuant to Section 33413(a) of the CRL, the Implementation Plan shall identify proposed locations suitable for those replacement dwelling units.

The requirements of this section will be met when projects are identified that would require the removal of dwelling units. When this occurs, the Agency will provide suitable locations for replacement housing in compliance with the requirements of Section 33413(a) of the CRL.

### **Means to Accomplish Requirements**

The Agency intends to use revenue in the Low and Moderate Income Housing Fund and any other appropriate funds available to the Agency under the Plan, including, but not limited to the City's citywide bond funding for affordable housing, the Department of Housing and Urban Development funds and Community Development Block Grants, and rental subsidies through the Section 8 program. Available, low-income housing tax credits and tax exempt financing mechanisms may also be used by the Agency. Policies and programs such as providing affordable housing incentives for developers, permitting manufactured housing, and inclusionary housing programs will be explored by the Agency. The Agency will also provide rehabilitation loans and grants.